



Clean Units

NSR Retooling Team

October 15, 2003

Follow-up October 23, 2003

Wisconsin Department of Natural Resources

Issues to Resolve

- 3. Length of Designation
- 4. Netting reductions and emission reduction credits
- 5. Redesignation of Area's effect on clean unit status
- 6. Retroactive determination

Clean Unit Test

- The Clean Unit Test is an alternative approach to major NSR applicability for modifications.
- If a change does not cause an emissions unit to exceed its permitted allowable emissions, major NSR does not apply.
- If the permitted allowable emissions (or a design parameter upon which these are based) will be exceeded, then the source must determine whether the projected post-change emissions will result in a significant emissions increase and a significant net emissions increase.

Clean Unit Test

What Qualifies as a “Clean Unit”?

- Clean Unit Status is automatic for most emissions units that went through major NSR and are complying with BACT/LAER.
- Clean Unit Status can be granted through a permitting process if the emissions control is:
 - Comparable to BACT/LAER; or
 - Substantially as effective as BACT/LAER
- Emissions control can be add-on controls; pollution prevention; or work practices, but an investment in the control is required to qualify.
- Clean Unit Status available for up to 10 years after applying emissions controls.

DNR Concerns over Clean Units

- Investment required for Clean Unit Status
- Workload Issues/Administrative Burden with retroactive designation of non-BACT/LAER units
 - RBLC completeness prior to 2001
- Emission increases from Clean Units in Nonattainment Area without offset
- Emission reduction credits used following Clean Unit expiration

Industry Concerns over Clean Units

- Retroactive determination is important
- Definition of investment
- Consistency with other states

What is an Investment?

- Required for Clean Unit Status
- DNR NEEDS assistance in defining this term

Retroactive Determination

- Retroactive Clean Unit workable for projects with BACT/LAER w/ Investment
- Non BACT/LAER - workable for projects that commenced post January 1, 2001 or meet today's BACT/LAER
- Concerns over quality of RBLC prior to 2001
- Submittal to DNR by January 1, 2006

Redesignation of Area

- Under EPA rule, redesignation of area to nonattainment does not effect clean unit status
- Concern over increased emissions from modifications to underutilized units in baseline w/o offset

Redesignation Options

- Reevaluate Designation as Clean Unit
- Require offset from Clean Unit employing BACT for significant increases
- As part of SIP, case-by-case evaluation of Clean Unit status
- Clean Units meeting LAER not reopened
- Nonattainment to Attainment not reopened

Netting and designation length

- Projects under Clean Unit status not counted as creditable increase in netting O.K. because increase relied upon in “NSR” evaluation
- 10 year designation acceptable to DNR as long as NAA impacts are addressed

Emission Reduction Credits

- Reductions beyond Clean Unit rate available for ERC under EPA rule
- Concern over nonattainment area impacts and administrative burden at end of Clean Unit term - Reduction must be surplus
- Proposed approach:
 - Clean Unit renewed, ERC not surplus/void
 - Clean Unit not renewed, ERC maintained, but source no longer benefits from CU status

Clean Unit Follow-up 10/23/03

- Retroactive CU determinations for units w/o BACT/LAER determination
 - Must be installed post to 1/1/01
 - Meet the day's BACT/LAER
 - Proposal made by 1/1/06

Clean Unit Follow-up 10/23/03

- Redesignation Options
 - Reevaluate Designation as Clean Unit
 - Require offset from Clean Unit employing BACT for significant increases
 - As part of SIP, case-by-case evaluation of Clean Unit status

Clean Unit Follow-up 10/23/03

- Investment?
- MACT application qualify as Clean Unit?
 - NSR only applicable to NSR pollutants
 - Option that could be included in draft rule for comment